Message Text

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ACTION EB-07

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E.O. 11652: N/A TAGS: ETRS, IS, JO

USDOC WASHDC

SUBJECT: GSP FOR WEST BANK

REF: TEL AVIV 0464

1. IN VIEW OF NEW CERTIFICATE OF ORIGIN REQUIREMENTS FOR GSP,
AND OF SPECIAL STATUS OF OCCUPIED WEST BANK, CONGEN COMMERICAL
OFFICER DISCUSSED REQUIREMENTS WITH WEST BANK'S LARGEST
EXPORTER OT U.S., ELIAS JIRIES FREIJ, MAYOR OF BETHLEMHEM AND
CIRECTOR OF BETHLEHEM CHAMBER OF COMMERCE AND INDUSTRY, AND WITH
FAIEK A. BARAKAT, DIRECTOR OF ARAB CHAMBER OF COMMERCE AND
INDUSTRY, EAST JERUSALEM; BARAKAT IS ALSO CHAIRMAN OF (WEFBANK)
ASSOCIATION OF ARAB CHAMBERS OF COMMERCE AND INDUSTRY.

2. MAYOR FREIJ SAID THAT NEW REQUIREMENTS POSED SOME PROBLEMS FOR WEST BANK EXPORTERS INASMUCH AS CERTIFICATES OF ORGIN HAD NOT BEEN REQUIRED IN PAST . HE WAS PREPARED, HOWEVER, TO WORK WITH JERUSALEM CHAMBER (ISRAELI) TO OBTAIN REQUIRED CERTIFICATION. WHEN INFORMED THAT JERUSALEM CHAMBER NO AUTHORIZED TO CERTIFY FOR GSP PURPOSES, AND THAT WE UNDERSTAND HE MAY HAVE TO OBTAIN CERTIFICATION FROM GOVERNMENT OF ISRAEL (GOI) CUSTOMS, HE SAID IF THERE IS NO LATERNATIVE, HE WOULD OBTAIN CERTIFICATION FROM GOI CUSTOMS. IN REPLY TO QUERY, HE ALSO SAID THAT POINT OF ORIGIN WOULD BE STATED ONLY AS THE CITY RATHER THAN AS THE COUNTRY OF ORIGIN, E.G., BETHLEHEM.

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3. WHILE MAYOR FREIJ, A CHRISTIAN ARAB WHO HAS SOMETHING OF A REPUTATION AMONG MORE MILITANT WEST BANK PALESTINIANS AS ISRAELI COLLABORATOR, APPEARS WILLING (ALBEIT RELUCTANTLY, TO ACCEPT GOI CERTIFICATION, BARAKAT OPPOSED REQUIREMENT ON BASIS THAT WEST BANK EXPORTERS SHOLD NOT BE FORCED TO GO TO GOI FOR DOCUMENTATION. HE ANTICIPATES NOT ONLY UNNECESSARY DELAYS AND HARRASSMENT, AS WELL AS PERSONAL EMBARRASSMENT AND HUMILIATION, BUT RAISING OF SENSITIVE POLITICAL ISSUES. BARAKAT SAID THAT ACCORDING TO INTERNATIONAL LAW AND FACT THAT OCCUPIED WEST BANK ADMINISTERED BY ISRAELI MILITARY OCCUPATION AUTHORITY RATHER THAN GOI, REOUIREMENT THAT WEST BANK EXPORTERS OBTAIN CERTIFICATION FROM GOI WOULD BE TANTAMOUNT TO RECOGNITION OF GOI AUTHORITY OVER WEST BANK. (BASED ON PAST CONGEN EXPERIENCE, IT IS OUR VIEW THAT ANY USG INSISTANCE THAT WEST BANK EXPORTS BE CERTIFIED BY GOI AUTHORITY WOULD BE INTERPRETED BY SOME VOCAL PALESTINIANS AS FURTHER EVIDENCE OF COLLUSION BETWEEN USG AND GOI TO EXTEND AND STRENGTHEN GOI AUTHORITY OVER AND OCCUPATION OF WEST BANK.) WHILE THERE IS NO REACTION TO CERTIFICATION ISSUE AT THIS TIME - SINCE GUIDANCE AND INSTRUCTIONS HAVE NOT BEEN OFFICIALLY DISSEMINATED BY COMMERCIAL OFFICE PENDING CLARIFICATION OF ISSUES INVOLVED - THERE IS NO DOUBT THAT ARAB LANGUAGE PRESS WOULD GIVE FULL TREATMENT TO CONGEN AND USG SHOULD WEST BANK EX-PORTERS PROTEST OVER BEING FORCED TO ACCEPT GOI AUTHORITY OVER WEST BANK.

4. ALTHOUGH POTENTIAL WEST BANK EXPORTS UNDER GSP PROGRAM ARE NOT LARGE, SENSITIVE POLITICAL ISSUES RAISED BY GSP CERTIFICATION REQUIREMENT, AS WE INTERPRET IT, FAR OVER-RIDE ANY POSSIBLE FINANCIAL BENEFITS WEST BANK PALESTINIANS MIGHT DERIVE FROM PROGRAM. (AS PRACTICAL MATTER, MOST EXOIRTS ARE SOUVENIRS FROM BETHLEHEM AREA AND AMOUNT TO LESS THAN 3 MILLION DOLLARS ANNUALLY.) THUS, ANY ACTION AFFECTING STATUS OF WEST BANK VIS-A-VIS GOI MUST BE CAREFULLY WEIGHED. TO AVOID UNNECESSARY DISTURBANCE OF DELICATE STATUS QUO, AND TO AVOID PSSIBLE EXACERBATION OF EXISTING ANTI-USG ATTITUDES AMONG ELEMENTS OF WEST BANK PALESTINIANS (ALREADY ENFLAMED OVER USG VETO OF LATEST UNSC RESOLUTION), CONGEN RECOMMENDS THAT SPECIAL CONSIDERATION BE GIVEN TO WEST BANK EXPORTERS BY APPROVAL, IF AT ALL POSSIBLE, OF ONE OF FOLLOWING ALTERNATIVES, LISTED IN ORDER OF PREFERENCE: LIMITED OFFICIAL USE

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A. PRESERVE FORMER SYSTEM AS MUCH AS POSSIBLE BY WAIVING REQUIREMENT THAT WEST BANK EXPORTERS OBTAIN AUTHENTICATION OF UNCTAD FORM A FROM GOI CUSTOMS, AND BY ACCEPTING CERTIFICATION O (PREFERABLY) ARAB CHAMBER OF COMMERCE AND INDUSTRY, EAST JERUSALEM, OR OF BETHLEHEM CHANBER. (GOI ALREADY ACCEPTS SUCH CERTIFICATION FOR EXPORT PURPOSES.)

B. WAIVE GOI CUSTOMS AS CERTIFYING AUTHORITY AND ACCEPT AUTHENTICATION BY OFFICE DESIGNATED BY MILITARY OCCUPATION AUTHORITY. ALTHOUGH THIS SOLUTION IS LESS DESIRABLE, IT DOES AVOID OFFICIAL GOI IMPRIMATUR AND THUS RENDERS IT MORE PALATABLE TO WEST BANK PALESTINIANS.

5. SINCE SOME EXPORTERS SENDING PRODUCTS TO U.S. WITHOUT PROPER CERTIFICATION, AND OTHERS NOT SHIPPING PENDING CLARIFICATION OF GSP CERTIFICATION ISSUE, CONGEN REQUESTS RESOLUTION OF ISSUES DISCUSSED HEREIN AS SOON AS POSSIBLE.

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